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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

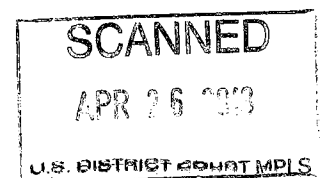
IN THE MATTER OF THE TAX )  
INDEBTEDNESS OF: )  
 )  
John K. Thornton )  
a/k/a Freedom Enterprises )  
a/k/a Straight Edge Enterprizes, Inc. )  
4128 Utica Ave S. )  
St. Louis Park, MN 55416 )  
 )  
COUNTY OF HENNEPIN )  
STATE OF MINNESOTA )

Case No. 18-MJ-356 DTS

**APPLICATION OF THE UNITED STATES  
TO ENTER PREMISES TO EFFECT LEVY**

The United States of America, on the basis of the attached affidavit of Revenue Officer Richard Wallin, respectfully applies to the Court, pursuant to 26 U.S.C. sections 6331 and 7402(a), for an order authorizing Revenue Officer Richard Wallin and/or other employees, as designated by the Internal Revenue Service, who may be escorted by employees of the U.S. Treasury Inspector General for Tax Administration, to enter the premises located at 4128 Utica Ave St. Louis Park, MN 55416, for the purpose of seizing the property of John K. Thornton (a/k/a Freedom Enterprises, a/k/a Straight Edge Enterprizes, Inc.) as may be found therein, which is subject to levy by the United States in satisfaction of the outstanding federal taxes now due and owing by John K. Thornton, together with interest and costs as allowed by law.

Jurisdiction is conferred upon federal district courts to make and issue in civil actions, writs and orders of injunction and such other orders and processes, and to render



such judgments and decrees as may be necessary or appropriate for the enforcement of the internal revenue laws. 26 U.S.C. § 7402(a). A district court is vested with jurisdiction under 26 U.S.C. § 7402(a) to enforce levies of the Internal Revenue Service by summary, *ex parte* proceedings. *Matter of Carlson*, 580 F.2d 1365 (10th Cir. 1978); *United States v. First National City Bank*, 568 F.2d 853 (2d Cir. 1977); *United States v. Mellon Bank, N.A.*, 521 F.2d 708 (3d Cir. 1975)

Where a taxpayer refuses to pay his tax liabilities after notice and demand, a District Court has jurisdiction to issue an entry order pursuant to 26 U.S.C. § 7402(a) allowing other Service to enter premises in order to collect delinquent taxes. 26 U.S.C. § 7402(a); *Marshall v. Barlow's Inc.*, 436 U.S. 307, 322, n. 19, 98 S.Ct. 1816 (1978). An order of entry is to be issued upon application with supporting affidavit showing cause to enter, search for, and levy upon personal property in aid of summary collection of assessed and unpaid tax. *United States v. Shriver*, 645 F.2d 221 (4th Cir. 1981). Issuance of the order authorizing entry is to take place in a summary, *ex parte*, proceeding and is not to be converted into an adversary proceeding. *Matter of Campbell*, 761 F.2d 1181, 1186 (6th Cir. 1978); *United States v. Condo*, 782 F.2d 1502, 1504-06 (9th Cir. 1986); *United States v. Asay, Jr.*, 614 F.2d 655, 662 (9th Cir. 1980).

Submitted in support of this application is the Affidavit of Revenue Officer Richard Wallin. The affidavit establishes that assessments of tax, penalty, and interest have been made against John K. Thornton for the 1040 tax periods ending 12/31/2001, 12/31/2002, and 12/31/2003 in the amounts of \$467,043.20, \$26,642.74, and \$22,800.08. (Wallin Aff. ¶ 3.) Pursuant to sections 6201, 6203, and 6303 of the Internal Revenue Code, the

assessment and notice of demand pursuant to 26 U.S.C Sections 6201, 6203, and 6303 occurred on August 22, 2011, or within 60 days thereafter. (Wallin Aff. ¶ 4.) John K. Thornton has neglected or refused to pay the full amount of the tax, penalty, and interest assessed within ten (10) days after notice and demand for payment, and this neglect or refusal continues. (Wallin Aff. ¶ 5. ) By reason of the taxpayer's neglect and failure to pay such tax, penalty, and interest within 10 days after notice and demand, a levy may be made under 26 U.S.C. 6331(d). (Wallin Aff. ¶ 8.) There is now due and owing and unpaid with respect to such tax, penalty and interest, a total amount of \$645,382.99 (computed through April 25, 2018). (Wallin Aff. ¶ 6.) These amounts include statutory additions. (Wallin Aff. ¶ 6.) By reason of the assessments, a lien has arisen on all property and rights to property of John K. Thornton, as prescribed by sections 6321 and 6322 of the Internal Revenue Code. (Wallin Aff. ¶ 7.)

A notice of intention to levy along with Collection Due Process rights, required by section 6331(d) and 6330 of the Internal Revenue Code was provided to the taxpayer by certified mail to the taxpayer's last known address on March 28, 2013. (Wallin Aff. ¶ 9.) The taxpayer did not exercise his Collection Due Process rights on any of the tax periods. (Wallin Aff. ¶ 9.)

Notice of Federal Tax Lien was filed with the Hennepin County Recorder's Office on April 11, 2013 for all above periods. (Wallin Aff. ¶ 10.) Upon filing the Notice of Federal Tax Lien, the Service provided the taxpayer with notice of lien filing and their right to a hearing on April 9, 2013, as required under I.R.C. Sec 6320. (Wallin Aff. ¶ 10.) The

taxpayer did not exercise his Collection Due Process rights in response to the notice. (Wallin Aff. ¶ 10.)

On April 25, 2018, the taxpayer testified before the United States District Court for the District of Minnesota that he is a trustee for a trust entitled Freedom Enterprises, which has a management trust bank account with U.S. Bank under the name Straight Edge Enterprises, Inc. (Wallin Aff. ¶ 11.) The taxpayer testified further that he has made all deposits in the bank account from at least May 31, 2011 through the present time, and even dating back before 2004. (Wallin Aff. ¶ 12.) The taxpayer testified to making all withdrawals from the account, predominately in \$500 increments during the same time period. (Wallin Aff. ¶ 12.) The taxpayer testified that all monies deposited in the bank account were paid to Freedom Enterprises by entities with whom it contracts for volunteer services performed by the Taxpayer on behalf of Freedom Enterprises. (Wallin Aff. ¶ 12.) The taxpayer testified that he used the cash withdrawals from the Freedom Enterprises bank account to purchase tangible assets including, gold, gold coins, and silver coins, much of which are stored in a safe located in the basement of his wife's home at 4128 Utica Ave St. Louis Park, MN 55416. (Wallin Aff. ¶ 12.)

Assets to be seized include currency, coins, checks, negotiable instruments, safes, cash boxes, and cash. The taxpayer testified on April 25, 2018, that these assets are located in his wife's home located at 4128 Utica Ave St. Louis Park, MN 55416, where he resides. (Wallin Aff. ¶ 12.)

The IRS verified the existence of the above-described assets by way of the taxpayer's testimony in open court on April 25, 2018. (Wallin Aff. ¶¶ 12-13.)

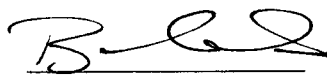
Although the taxpayer claims that the assets belong to a trust called Freedom Enterprises, there is cause to believe Freedom Enterprises is the taxpayer alter ego, and that the taxpayer owns the above-identified assets. (*See* Wallin Aff. ¶ 12.)

Seizure is the only remaining viable solution to collect the amounts owed to the United States. (Wallin Aff. ¶ 14.) Alternative remedies including installment agreements and third-party levies have not been successful. (Wallin Aff. ¶ 14.) Alternative remedies including third-party levies have not been successful. (Wallin Aff. ¶ 14.) Taxpayer has not filed a Form 1040 return in over ten years, and has made no effort to pay taxes currently owed. (Wallin Aff. ¶ 14.) Due to the ease with which these assets may be moved, and the extensive efforts required to learn of these assets, Revenue Officer Wallin has not requested consent to enter the premises for purpose of seizure. (Wallin Aff. ¶ 16.)

WHEREFORE, the United States prays that an order be issued permitting Revenue Officer Richard Wallin and/or other employees, as designated by the Internal Revenue Service, who may be escorted by employees of the U.S. Treasury Inspector General for Tax Administration, to enter the premises located at 4128 Utica Ave St. Louis Park, MN 55416, for the purpose of seizing property of John K. Thornton as may be found therein, including in any safes found therein, for the purpose of satisfying John K. Thornton outstanding tax liabilities.

Dated: April 25, 2018

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